



GRAIN TRANSPORTATION REPORT

Transportation & Marketing, Agricultural Marketing Service
United States Department of Agriculture

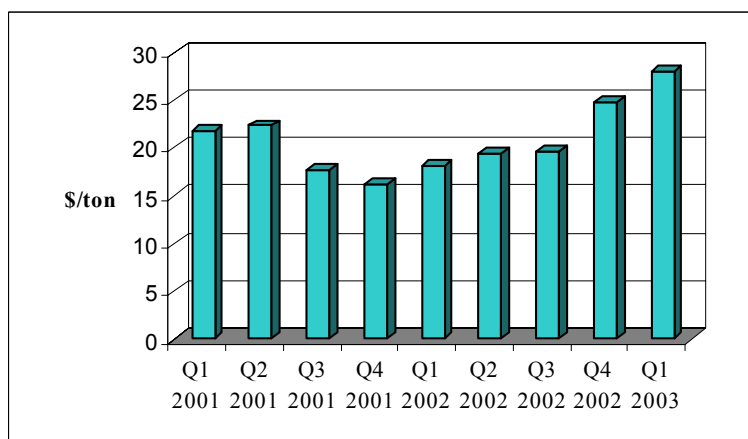
MAY 8, 2003

<u>TM GRAIN TRANSPORT COST</u> <u>INDICATORS</u>	<u>Ocean</u>				
	<u>Truck</u>	<u>Rail</u>	<u>Barge</u>	<u>Gulf</u>	<u>PNW</u>
Indicator Value* for 05/08	99	105	48	113	107
Compared to Last Week	↓	↓	↑	↑	↓
*Indicator: Base Year 2000=100; Weekly Updates include Truck=Diesel; Rail=Nearby Secondary Rail Market; Barge=Spot Illinois River Basis; Ocean Vessel based on Routes to Japan					

Kansas City Southern Railway Announces Merger. Kansas City Southern Railway (KCS) has agreed to purchase from Grupo TMM its 51-percent share of Texas Mexican Railway Company (Tex Mex) and its 38.4-percent share of Transportacion Ferroviaria Mexicana (TFM), the railroad serving northeastern Mexico. The U.S. portion of the purchase requires Surface Transportation Board approval, and the Mexican portion of the purchase requires the approval of two Mexican government agencies. The three railroads will be operated by a single transportation holding company called NAFTA Rail. KCS already owns 39 percent of TFM and 49 percent of Tex Mex. The Mexican government owns the remaining 22.6 percent of TFM but has the option of selling its remaining share of TFM to KCS late this year.

The acquisition, which will give KCS a stronger presence in the growing U.S.-Mexico cross-border rail traffic, could also make KCS a more attractive acquisition for another major railroad. Financial analysts speculate that either Canadian National Railways or Burlington Northern Santa Fe Railway would benefit most from a future acquisition of NAFTA Rail. Marvin.Prater@usda.gov.

U.S. Gulf to Japan, average grain shipping rates



Economic Impacts of Iraq on Ocean Shipping. Just before the war with Iraq, the dry bulk ocean shipping market had fully recovered from the downswing following September 11, 2001. In the last quarter of 2002, ocean shipping rates were nearly \$25 per metric ton, due to a relatively strong market for the U.S. Gulf to Japan trade (see figure).

Leading up to the U.S. invasion of Iraq, there was an additional increase of just over \$3.00 per ton, a relatively small increase for that trade lane. Uncertainty in the market and an increase in coal shipments, which also use dry bulk vessels, explain most of the increase. Grain shipping rates from the United States to foreign markets are expected to remain stable or decline in the second quarter of 2003. Jim.Caron@usda.gov.

Source: *Grain Transportation Report*, USDA/AMS, 2001-2003

Report is prepared by Deen Olowolayemo, Johnny Hill and Karl Hacker, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Support provided by Upper Great Plains Transportation Institute, North Dakota State University. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments and questions to Surajudeen.Olowolayemo@usda.gov.

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The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision making and longer-term strategic planning for an effective and efficient U.S. grain logistics system.

Market Update: U.S. Origins to Export Position Price Spreads (Per Bushel)

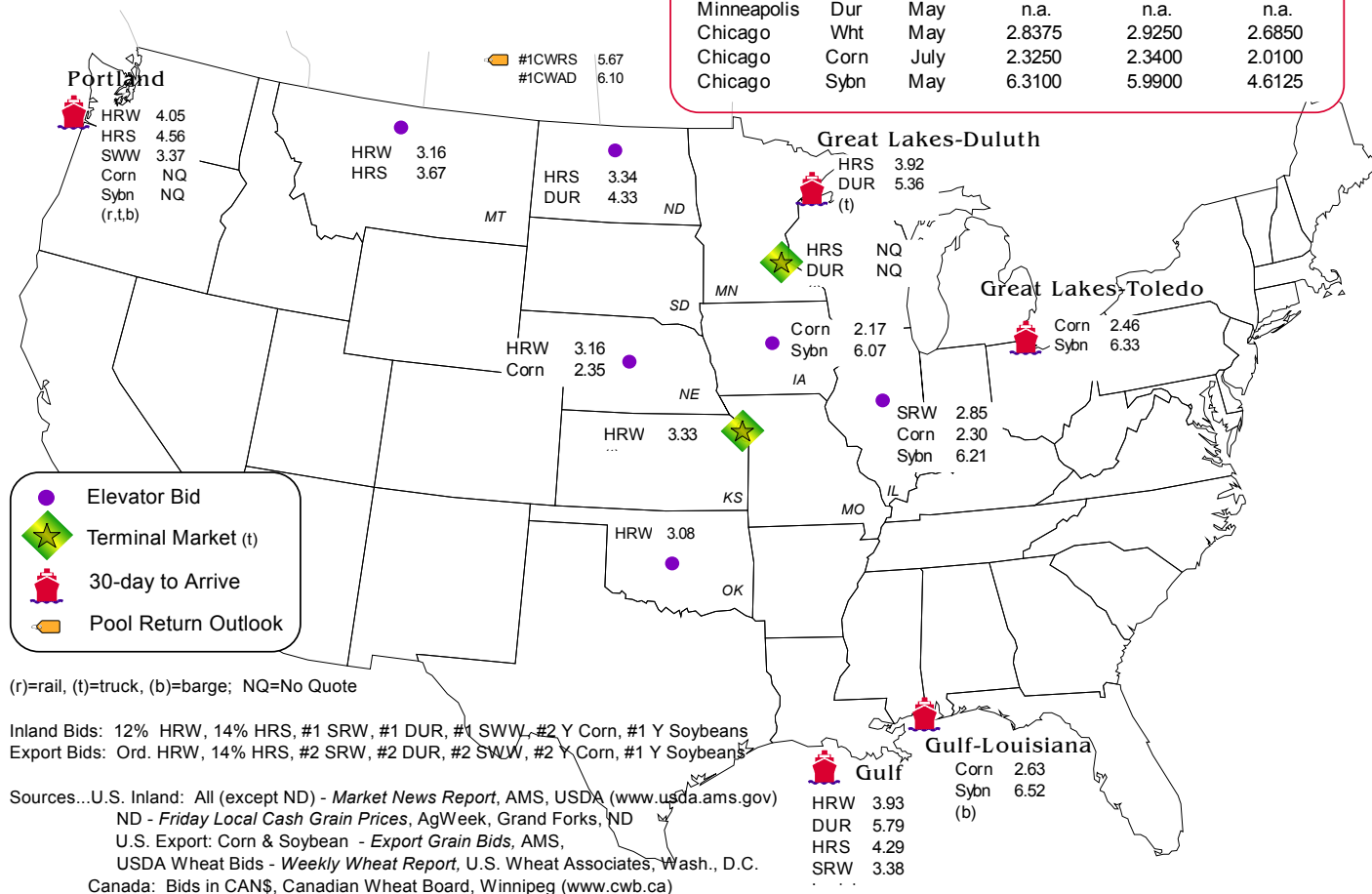
Commodity	Origin--Destination	This week	Last week
Corn	IL -- Gulf	-0.33	-0.32
Corn	NE -- Gulf	-0.28	-0.27
Soybean	IA -- Gulf	-0.45	-0.47
HRW	KS -- Gulf	-0.60	-0.43
HRS	ND -- Portland	-1.22	-1.24

The **Grain Bid Summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Grain Bid Summary

Futures:

			05/02/2003	Week Ago 04/25/2003	Year Ago 05/03/2002
Kansas City	Wht	May	3.0025	3.2350	2.8275
Minneapolis	Wht	May	3.4075	3.5100	2.9250
Minneapolis	Dur	May	n.a.	n.a.	n.a.
Chicago	Wht	May	2.8375	2.9250	2.6850
Chicago	Corn	July	2.3250	2.3400	2.0100
Chicago	Sybn	May	6.3100	5.9900	4.6125



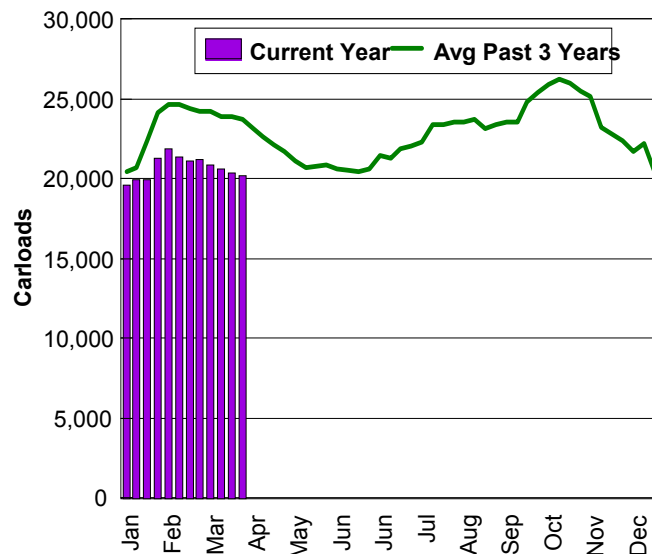
RAIL TRANSPORTATION

Rail Deliveries to Port (Carloads)

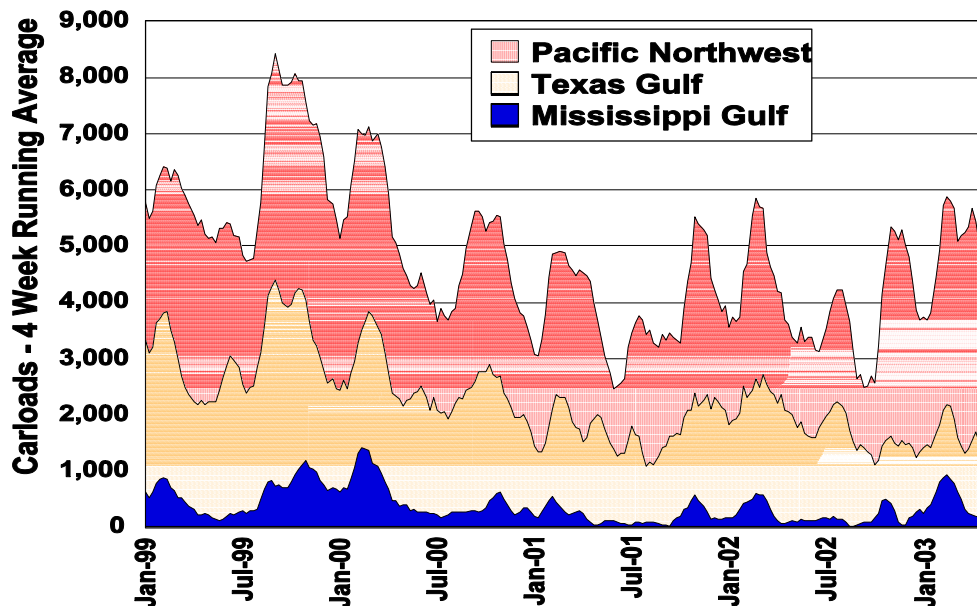
	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
04/16/03	2	523	3,016	99	3,640
04/23/03	13	711	2,465	286	3,475
YTD 2003	7,854	19,117	57,681	8,565	93,217
YTD 2002	5,366	33,786	36,762	9,672	85,586
% YTD 2002	146%	57%	157%	89%	109%
Total 2002	11,112	83,799	111,719	21,551	228,181
Total 2001	10,022	81,804	111,376	26,604	229,806

Source: Transportation & Marketing/AMS/USDA; (*) Incomplete Data

Grain Car Loadings for Class I Railroads



Rail Deliveries to Port



Railroads originate approximately 40% of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Class I Rail Carrier Grain Car Bulletin (Grain Carloads Originated and Grain Service Index)

	East			West		U.S. Total	Canada	
	CSXT	NS		BNSF	KCS		CN	CP
04/26/03	2,306	3,291	5,638	195	6,329	17,759	3,252	3,558
This Week Last Year	2,898	3,678	6,212	362	6,567	19,717	4,395	3,268
2003 YTD	48,012	54,743	130,743	6,000	109,645	349,143	58,095	55,494
2002 YTD	50,007	54,825	129,390	10,364	115,091	359,677	68,750	62,648
% of Last Year	96%	100%	101%	58%	95%	97%	85%	89%
2002 Total	142,760	164,745	400,179	27,161	344,296	1,079,141	191,835	195,765

U.S. Rail Covered Hopper Cars Online Index*

April-03	95.0	101.7	94.4	92.6	91.4	94.6
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Source: Association of American Railroads; *Base Year =2001, Index based on Number of Covered Hopper Cars Online (available for Service).

Rail service may be ordered directly from the railroad via **Auction** for guaranteed service or tariff for non-guaranteed service, or through the secondary market. The **Secondary Rail Market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The auction and secondary rail values are indicators of rail service quality and demand/supply.

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Jun-03	Jul-03	Aug-03
COT/N. Grain	no bid	\$0	\$0
COT/S. Grain	no bid	no bid	no bid
GCAS/Region 1	no bid	no bid	no bid
GCAS/Region 2	no bid	no bid	no bid

Source: Transportation & Marketing/AMS/USDA.

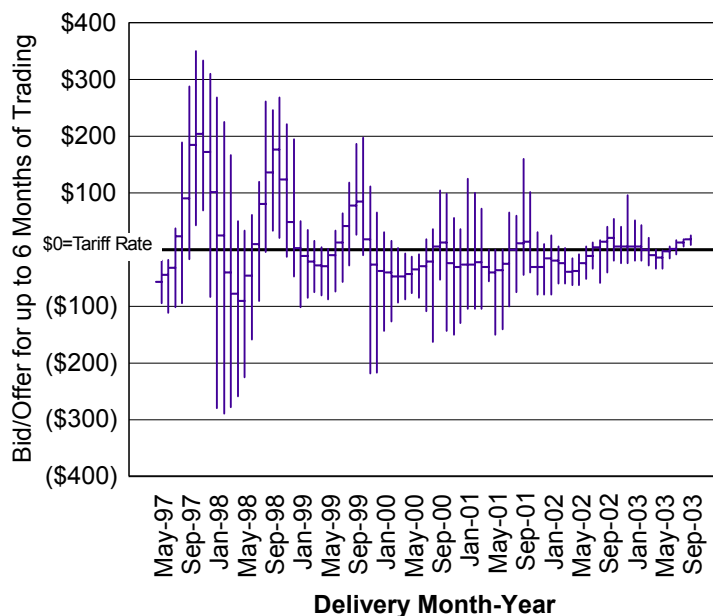
COT=Certificate of Transportation; GCAS=Grain Car Allocation System

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	May-03	Jun-03	Jul-03	Aug-03
BNSF-GF	\$(16)	\$(17)	\$(10)	\$0
UP-Pool	\$(2)	\$(0)	\$6	\$17

Secondary Rail Market Bid



Tariff Rail Rates for Unit Train Shipments

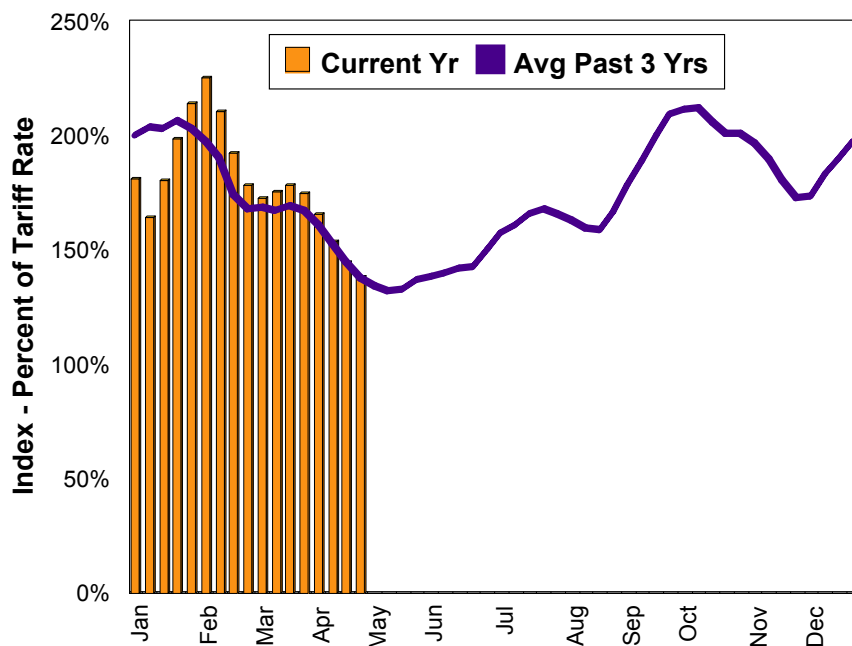
April 2003

Source: www.bnsf.com, approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
04/07/03	113710	Wheat	Kansas City, MO	Galveston, TX	\$1,650	\$18.19	\$0.50
04/07/03	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
04/07/03	46540	Wheat	St. Louis, MO	Houston, TX	\$1,695	\$18.68	\$0.51
04/07/03	113710	Wheat	Kansas City, MO	Laredo, TX	\$2,110	\$23.26	\$0.63
04/07/03	15507	Wheat	Chicago, IL	Albany, NY	\$1,834	\$20.22	\$0.55
04/07/03	31005	Corn	Minneapolis, MN	Portland, OR	\$2,700	\$29.76	\$0.76
04/07/03	1132.002	Corn	Chicago, IL	Baton Rouge, LA	\$1,845	\$20.34	\$0.52
04/07/03	1132.03	Corn	Council Bluffs, IA	Baton Rouge, LA	\$1,970	\$21.72	\$0.55
04/07/03	113210	Corn	Evansville, IN	Raleigh, NC	\$1,816	\$20.02	\$0.51
04/07/03	1132	Corn	Des Moines, IA	Laredo, TX	\$2,525	\$27.83	\$0.71
04/07/03	61110	Soybean	Minneapolis, MN	Portland, OR	\$3,115	\$34.34	\$0.93
04/07/03	61410	Soybeans	Chicago, IL	Baton Rouge, LA	\$2,073	\$22.85	\$0.62
04/07/03	61110	Soybeans	Council Bluffs, IA	Baton Rouge, LA	\$2,020	\$22.27	\$0.61
04/07/03	1144	Soybeans	Des Moines, IA	Laredo, TX	\$2,817	\$31.05	\$0.85
04/07/03	11441	Soybeans	Evansville, IN	Raleigh, NC	\$1,816	\$20.02	\$0.54

BARGE TRANSPORTATION

Illinois River Barge Rate Index - Rate Quotes



The **Illinois River Barge Rate Index** averaged 183% of the Benchmark Tariff Rate between 1999 and 2001, based on weekly market quotes. The **Index**, along with **Rate Quotes** and **Futures Market** bids are indicators of grain transport supply and demand.

Calculating **Barge Rate Per Ton**:
 $\text{Index} \times 1976 \text{ Tariff Benchmark Rate per Ton}$

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map below.

BARGE RATE QUOTES: Southbound Barge Freight

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

	4/30/03	4/23/03	May '03	July '03
Twin Cities	166	173	164	188
Mid-Mississippi	143	145	144	162
Illinois River	126	129	130	151
St. Louis	89	91	97	128
Lower Ohio	115	117	120	140
Cairo-Memphis	90	91	95	122

Source: Transportation & Marketing /AMS/USDA

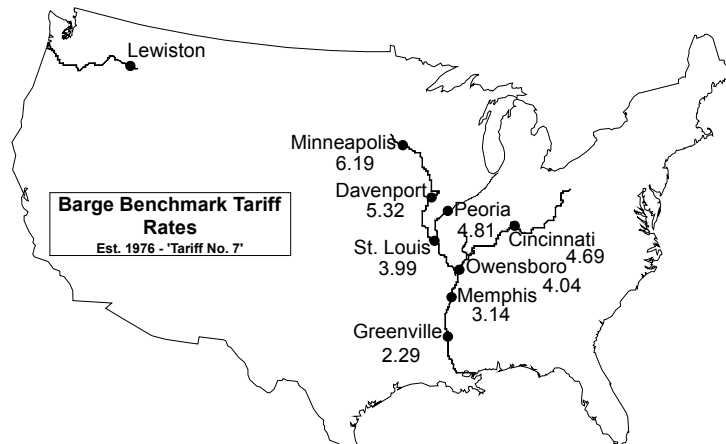
BARGE FUTURES MARKET

Southbound Barge Freight Nominal/Cash Basis Values

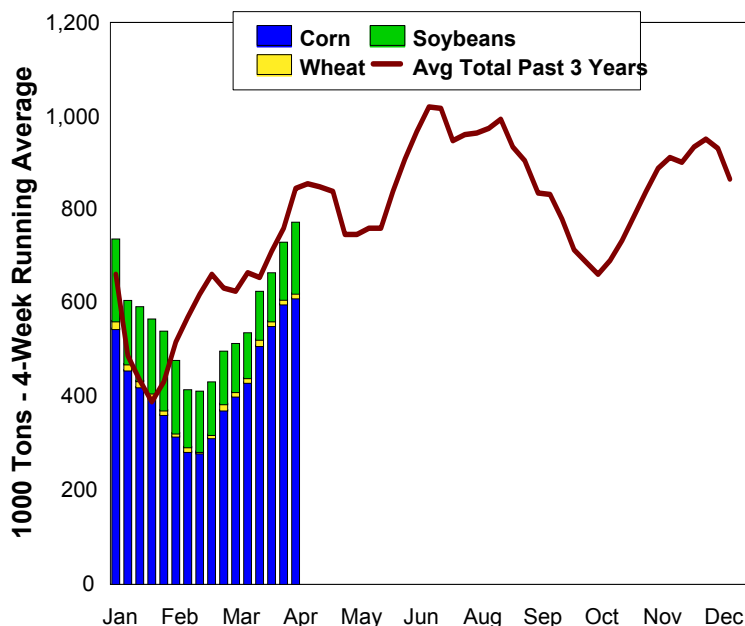
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate	
			Futures	Cash
5/06/03	St. Louis	Jun	n/a	120
		Aug	n/a	148
		Oct	n/a	200
		Nov	n/a	155
		Dec	n/a	140
	Illinois River	Jun	n/a	138
		Aug	n/a	170
		Oct	n/a	220
		Nov	n/a	175
		Dec	n/a	165

Source: St. Louis Merchants Exchange



Barge Movements on the Mississippi River (Lock 27)



Barge Grain Movements (1,000 Tons)

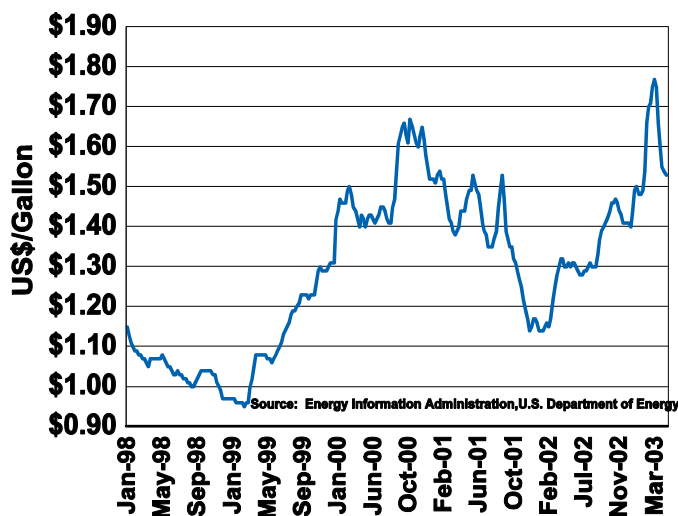
for week ending 4/26/03

	Corn	Wht	Sybn	Total
Mississippi River				
Rock Island, IL (L15)	292	26	72	390
Winfield, MO (L25)	418	9	86	513
Alton, IL (L26)	625	9	160	794
Granite City, IL (L27)	627	8	154	789
Illinois River (L8)	152	2	38	200
Ohio River (L52)	11	2	9	32
Arkansas River (L1)	0	11	5	16
2003 YTD	8,451	557	3,465	12,841
2002 YTD	10,858	727	3,698	15,948
% of 2002 YTD	78%	77%	94%	81%
Total 2001	31,878	2,679	10,616	47,091

Source: U.S. Army Corp of Engineers,
YTD and Calendar year total includes Miss/27, Ohio/52 and Ark/1.

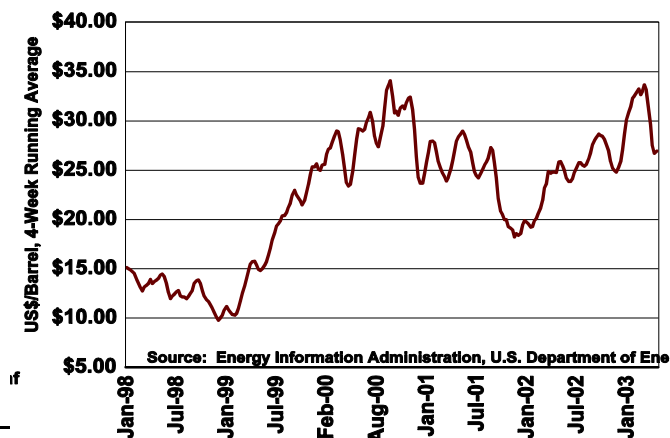
TRUCK TRANSPORTATION

Weekly U.S. Retail Road Diesel Price



The weekly **Diesel Price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37% of the estimated variable cost. **Crude Oil Price** is an indicator in future diesel price trends.

Weekly Brent Crude Price, Friday Close



Crude Oil Prices (05/06/03)

US\$ per Barrel	This Week	Last Week	
Light Sweet Crude (NYMEX)	25.03	25.11	↓
Brent Crude	23.53	22.94	↑

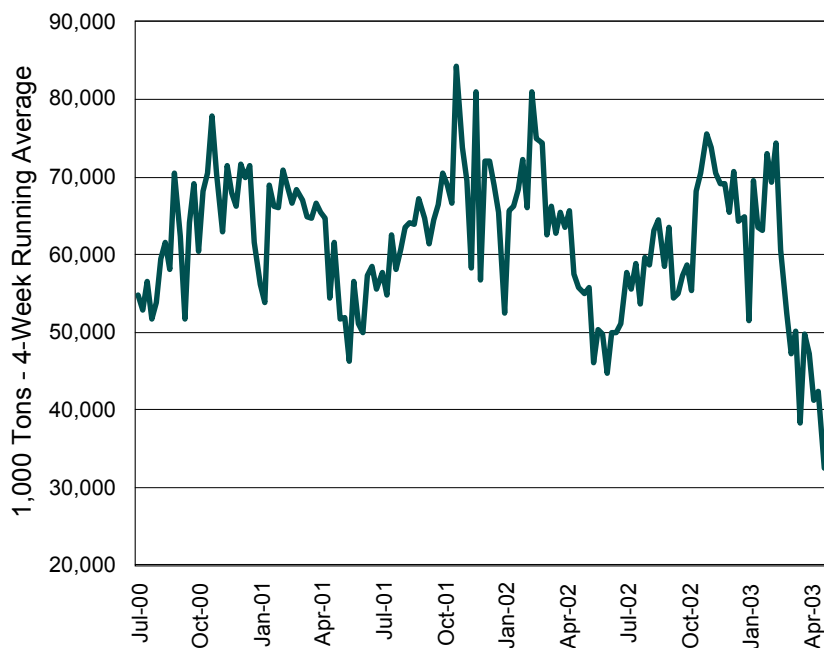
Note: Light Sweet Crude is exchanged on the New York Mercantile Exchange. North Sea oil has a "benchmark" role in crude oil pricing. Brent crude, a blend of North Sea oils, is traded on the International Petroleum Exchange in London.

GRAIN EXPORTS

U.S. Export Balances (1,000 Metric Tons)									
	Wheat			Corn			Soybean	Total	
	HRW	SRW	HRS	SW W	DUR	All			
04/24/2003	1,138	367	1,209	526	182	3,421	5,595	3,038	12,054
This Week Year Ago	875	593	556	438	38	2,500	6,522	2,698	11,720
Commulative Exports-Crop Year									
02/03 YTD	6,291	2,698	5,857	3,193	687	18,725	25,967	24,918	69,610
01/02 YTD	7,811	4,971	5,025	2,863	1,077	21,747	29,745	23,989	75,481
01/02 Total	8,761	5,485	5,582	3,175	1,133	24,135	48,003	29,926	102,064
00/01 Total	9,314	4,445	5,775	5,156	1,130	25,819	47,734	27,567	101,120
99/00 Total	10,629	4,195	5,590	4,055	984	25,453	48,760	26,972	101,185
Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov)									

Select U.S. Port Regions - Grain Inspections for Export (1,000 Metric Tons)												
	Pacific Region			Mississippi Gulf			Texas Gulf			Port Region Total		
	Wheat	Corn	Soybn	Wheat	Corn	Soybn	Wheat	Corn	Soybn	Pacific	Mississippi	Texas
05/01/03	293	59	121	46	400	111	127	3	0	473	557	130
2003 YTD	2,834	1,952	2,282	1,534	8,960	8,495	1,505	529	50	7,068	18,989	2,084
2002 YTD	3,206	1,783	985	2,240	12,733	8,087	2,223	106	240	5,974	23,061	2,569
% of 2002 YTD	88%	109%	232%	68%	70%	105%	68%	498%	21%	118%	82%	81%
2002 Total	10,007	5,877	1,639	6,829	34,991	17,996	6,971	468	468	17,523	59,816	7,906
Source: Federal Grain Inspection Service YTD-Year-to-Date												

U.S. Grain Inspected for Export

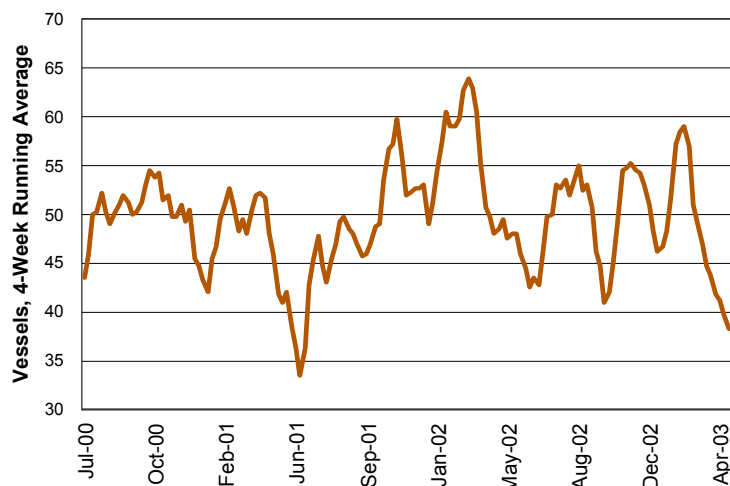
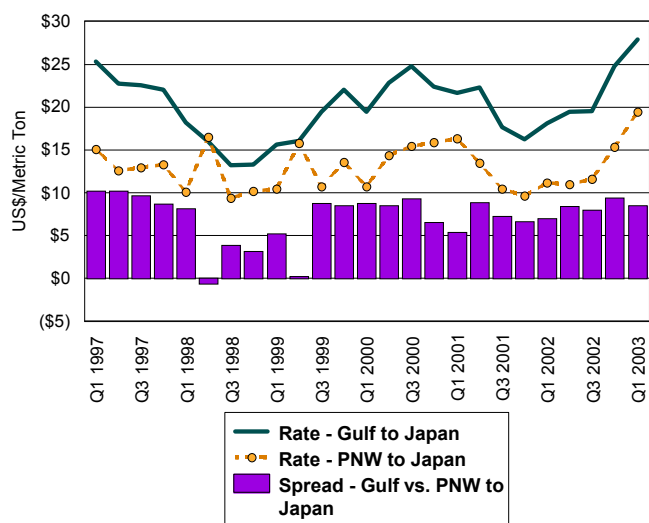


Select Canadian Port Export Inspections			
1,000 Metric Tons, Week End Summary			
04/17/2003	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Vancouver	11		4
Prince Rupert			
Prairie Direct	17		1
Thunder Bay			
St. Lawrence	3,460	1,798	256
2001/02 YTD	8,878	2,283	711
2002/03 YTD	3,488	1,798	261
% of Last Year	255%	127%	272%
Source: Canadian Grains Commission, Crop Year 8/1-7/31			

Port Region Ocean Grain Vessels

	Gulf			Pacific Northwest	Vancouver B.C.
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	In Port
04/24/03	18	35	50	13	9
05/01/03	13	30	39	9	8
2002 Range	(15..55)	(33..66)	(44..82)	(3..15)	(0..12)
2002 Avg	35	51	65	8	5

Source: Transportation & Marketing /AMS/ USDA

Gulf Port Region Grain Vessel Loading Past 7 Days**Grain Vessel Rates to Japan****Quarterly Ocean Freight Rates**

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton

	2003 1 st Qtr	2002 1 st Qtr	% Change		2003 1 st Qtr	2002 1 st Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$27.91	\$18.25	53%	Japan	\$19.43	\$11.31	72%
Mexico	-	\$31.49	-				
Venezuela	\$15.00	-	-				
Argentina/Brazil to				Med. Sea			
N. Europe	\$14.50	\$10.67	36%	Med. Sea	\$25.35	\$17.85	42%
N. Africa	-	\$17.58	-	N. Europe	-	\$13.48	-
Med. Sea	\$14.50	\$10.97	32%	Japan	-	\$25.59	-

Source: Transportation & Marketing/AMS/USDA

Ocean Freight Rates for Selected Shipments - week ending 5/3/03

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
U.S. Gulf	Japan	Heavy Grain	May 7/18	54,000	\$34.00
U.S. Gulf	Latvia	Wheatflour Bggd	Jun 10/25	29,000	\$59.26*
River Plate, S. America	Tunisia	Maize	May 5/15	18,000	\$37.00
Norfolk	Latvia	Wheatflour Bggd	Jun 20/30	1,350	\$70.00*
U.S. Gulf	Djibouti	Wheat	May 25/Jun 5	53,890	\$65.31*
U.S. Gulf	Djibouti	Wheat	May 5/10	39,000	\$60.00*
Norfolk	Latvia	Wheatflour Bggd	Jun 20/30	1,650	\$70.61*
U.S. Gulf	Angola	Maize Bggd	Jun 7/15	1,500	\$130.00*

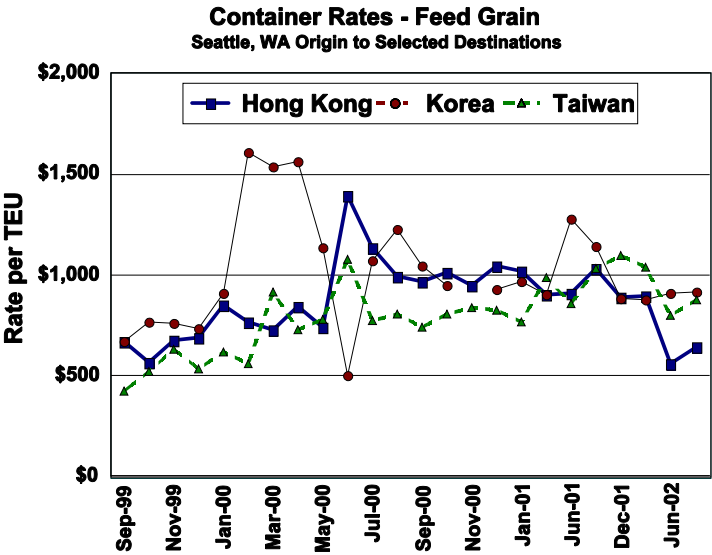
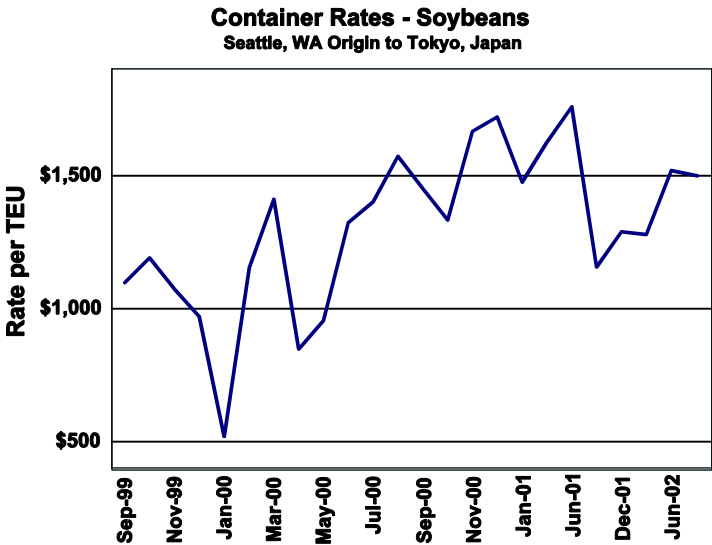
Source: Maritime Research Inc.

Rates shown are for metric ton (2,204.62 lbs.=one metric ton), F.O.B., except where otherwise indicated; op=option

*Most food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are of limited availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.

CONTAINER

Container Ocean Freight Rates
Average Rate per TEU, Weighed by Shipping Line Market Share
Source: Transportation & Marketing/AMS/USDA, Quarterly Updates



Approximately 420,000 MT of grain and oilseed exports were marketed via container in 2001. This volume increased 26% compared to 1997.